

No. 12,953

United States Court of Appeals
For the Ninth Circuit

NANCY ANN STORYBOOK DOLLS, INC., a
corporation,

Appellant,

vs.

DOLLCRAFT COMPANY, a corporation;
LESTER F. HINZ and ROBERT E.
KERR,

Appellees.

REPLY BRIEF FOR APPELLANT.

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REPLY BRIEF FOR APPELLANT.

In order that there be a just disposition of the issues in this proceeding, and in view of the importance of the matter to the appellant, it is deemed to be necessary to make a full reply to the brief of the appellees.

There are two distinct aspects to the present controversy. We have the question of trade-mark rights and an infringement thereof, and we have the matter of a definite program of unfair competition in connection with the marketing of dolls.

It is agreed, therefore, that we have two questions to answer.

1. Are the appellant's trade-marks valid and infringed by appellees?
2. Have appellees competed unfairly with appellant?

Since the question of unfair competition is much broader in scope than the question of trade-mark infringement, it would seem advisable first to take up point number 2, so that we may have in mind clearly the relationship of the parties.

THE APPELLEES ARE GUILTY OF UNFAIR COMPETITION.

The appellant in no sense seeks a trial *de novo* before this Court, but contends that the Findings of Fact and Judgment of the District Court are not supported by substantial evidence, and contends that the District Court erred in construing the evidence, and failed entirely to properly evaluate the meaning of the unfair acts of the appellees in their use of the appellant's trade-marks, and erred in failing to understand the significance of the adoption and use of the trade-marks of the appellant or the scope of protection that should be afforded to these trade-marks, and failed to recognize the legal significance of the doctrine of descriptiveness as applied to trade-marks. It is the purpose of the appellant to point out convincingly that the appellant has well-defined rights in the several trade-marks under consideration, and is entitled to protection against a subtle and deliberate form of poaching.

Since the appellant believes that the Judgment and Findings of Fact are not supported by substantial evidence, all material questions relating thereto may now be considered.

With regard to proper action under Rule 52, we find in Section 1129 of Federal Practice and Procedure by Barron and Holtzoff that:

“Rule 52(b) permits the unsuccessful party to raise on appeal the question of the sufficiency of the evidence to support the findings ‘whether or not the party raising the question has made in the district court an objection to such finding or has made a motion to amend or a motion for judgment’. In other words, when findings of fact are made in a case tried without a jury the sufficiency of the evidence to sustain the findings may be challenged without having made ‘objection to such findings’ or ‘motion to amend them or a motion for judgment’.”

See:

Bingham Pump Co. v. Edwards, C.C.A. 9th, 1941, 118 F. (2d) 338, certiorari denied 62 S. Ct. 107, 314 U.S. 656, 86 L. Ed. 525;

Monaghan v. Hill, C.C.A. 9th, 1944, 140 F. (2d) 31;

In re Imperial Irr. Dist., D.C. Cal., 1941, 38 F. Supp. 770, affirmed 136 F. (2d) 539, certiorari denied 64 S. Ct. 784, 321 U.S. 787, 88 L. Ed. 1078, rehearing denied 64 S. Ct. 940, 322 U. S. 767, 88 L. Ed. 1593.

The appellant contends that it was manifest error on the part of the trial Court to fail completely to

understand the fact that a trade name or mark may serve a dual function. It is a common practice to use a single mark for a single product, and at the same time that mark may also identify the product itself. This is particularly true in the business of manufacturing and merchandising toys, games, dolls and the like, and it is of vital importance to recognize ordinary business customs and usages over a very long period of time. A mark may indicate origin of the goods to purchasers and, at the same time, identify the product itself. Such a mark may be entitled to full protection against what is actually culpable unfair competition, that is the use of the same mark by others to palm off an inferior product on the unwary or confused purchaser. Surely, it is the duty of our Courts to protect a legitimate business operation from this type of trespass.

This case concerns the adoption and use of a set of trade-marks or trade-names for the purpose of identifying the miniature dolls manufactured and sold by the appellant. We are particularly concerned with the following:

STORYBOOK
 GOLDBLOCKS
 LITTLE BO-PEEP
 JUNE GIRL
 MISTRESS MARY
 CURLY LOCKS
 LITTLE MISS DONNETT
 RED RIDING HOOD
 LITTLE MISS MUFFET

STORY
 FAIRYLAND
 SUGAR AND SPICE

It will be observed that the appellant (Def. Ex. H, H-1 to H-14) has adopted and used in its business a considerable number of identifying trade marks and names, and that the record indicates clearly that those marks listed above constitute a most valuable group to the appellant, by reason of the fact that the dolls sold under these marks proved to be most popular.

The witness, Allan Rowland, testified (Rec. p. 321) as follows:

“Q. What can you say as to the sales of nursery rhyme and fairyland sales?”

A. An actual tabulation would probably show that they are very much larger than the other dolls; in other words, fairy-tale and nursery-rhyme dolls and the Mother Goose series are the most popular; probably they sell about, on the Mother Goose series, they sell on the ratio of about 18 to 1.”

And as to volume (Rec. p. 314) as follows:

“Q. What is the tabulation that you have prepared?”

A. \$8,744,384.97.

Q. How was that tabulated?

A. By years.

Q. By years?

A. Yes, sir, starting at \$16,000 for 1937, and then on up to 1949 there was a million and a half in sales.

The Court. In dollars?

A. Yes.”

Successful business always breeds imitation. While it may be true that the act of copying is not of itself wrongful, nevertheless it should be scrutinized carefully, especially when such copying involves a material matter, such as the profitable sale of goods. The appellees did not originate a line of their own, but the record shows clearly that three individuals associated closely in one way or the other with the appellant, put their heads together, and not only copied the line of miniature dolls, but more than that, chose to copy the most popular identifying marks featured by the appellant. This could hardly be a happenstance. The Findings of Fact are indeed contrary to the evidence and to a reasonable interpretation of the evidence.

UNFAIR COMPETITION ESTABLISHED BY RECORD.

With regard to the basis of actions for unfair competition in trade, it is interesting to note that *Nims* in his *Unfair Competition and Trade-Marks* (Vol. 1, page 67, 4th Ed.) states:

“In *Shaver v. Heller*, (108 F 821, 826, 65 LRA 878), it was held that suits for infringements of trade-marks rest upon ownership of the trade-marks, whereas suits for unfair competition are founded upon the damage caused by the fraudulent passing off of the goods of one manufacturer for those of another; that in suits for trade-mark infringement title to the trade-mark is indispensable to a good cause of action, but that in suits for unfair competition ‘no proprietary interest in the words, names or means by which

the fraud is perpetrated is requisite to maintain a suit to enjoin it. It is sufficient that the complainant is entitled to the custom—the good-will of a business and that this good-will is injured, or is about to be injured, by the palming off of the goods of another as his.’

There is no basic conflict between the theory that unfair competition rests on the fraud involved in acts that cause passing off, and the theory that property rights may exist in names and devices that are not trade-marks. The use of the latter is not fraudulent, and is not unfair competition unless a prior user has a special interest in such name or symbol which is different from the rights in it which are shared by all. Such a special interest is similar in nature to the interest that a trade-mark owner has in his fanciful trade-mark. It may be said that this interest is property and therefore entitled to protection, or that it is protected and therefore is property, for that reason, if for no other.”

It is to be noted that paragraphs 46, 47 and 48 of the Findings of Fact and paragraph XI of the Judgment are to the effect that the appellees have not competed unfairly with the appellant, and it is submitted that this is certainly contrary to any logical inference that may be drawn from the evidence and to any reasonable interpretation of the statements and the acts of the parties involved, as demonstrated convincingly by the following.

The party, Robert Kerr, had every opportunity to learn which of the marks of the appellant enjoyed the most popularity in the trade. See Rec. p. 417.

“Q. Were you formerly employed by the Nancy Ann Doll organization?

A. Yes, sir.

Q. For how long a period were you employed there?

A. From 1939 until the beginning of 1945.”

The party, Lester Hinz, supplied doll bodies to the appellant over a period of years. See Rec. p. 428, p. 431.

“Q. How long have you been connected with the doll business?

A. Since 1941.”

and

“Q. How long after the termination of your working arrangement with Mr. Rowland was it that you formed the partnership with Mr. Kerr?

A. Well, my working arrangement with Mr. Rowland or the Nancy Ann Doll Company terminated in 1944, and it was some time in 1945 that I recollect that Mr. Patterson sold dolls for Kerr & Hinz.”

It is important to recognize the part played by a former successful salesman of the dolls of the appellant, as shown by the evidence. See Rec. p. 210.

“Q. Where did Mrs. Juster secure the little doll bodies that she used for dressing her first set of dolls?

A. From Mr. Patterson.

Q. Who is Mr. Patterson?

A. Mr. Patterson is an old friend of the family, and at that time he was selling undressed dolls for Kerr and Hinz of Santa Clara.”

and Rec. p. 213:

“Q. When did he begin his activities selling for you?”

A. Well, he procured that order from Joseph Horne for us, and that was in 1947, the latter part of 1947.

Q. Is that one of the orders that has been identified in this proceeding?

A. Yes, the ‘Hansel and Gretel’ order.”

and Rec. p. 221:

“Q. Were you aware that he had been quite successful in selling the ‘Nancy Ann’ dolls?”

A. I was aware of that.”

and also note Rec. p. 222:

“Q. Did you ever discuss the sales of any of your doll products with Mr. Patterson?”

A. Why, sure.

Q. And did he ever have any suggestions to make as to which dolls should be continued and which ones should be dropped?

A. Yes, he would tell me that certain things weren’t selling, and don’t make them any more for our own good. Naturally I followed his expert advice.”

With respect to the actions of Patterson, the witness Rowland (Rec. p. 375) testified on behalf of the appellant as follows:

“Q. Did you consider it unfair of Mr. Patterson to also handle and continue to handle a line of undressed dolls?”

A. Any time a representative who is working for you handles another line, whether it is com-

petitive or not, and doesn't tell you about it, it is unfair. No firm would stand for it."

The result of the policy of copying by the appellees is plain enough, although the District Court chose to disregard the evidence relating thereto. The matter of the palming off and substitution of goods is never done openly and is never acknowledged by the parties involved, but actions speak louder than words. In this connection, it is clear that we are concerned not merely with the affirmative acts of the appellees, but also with the fact that the appellees have put into the hands of others, such as retailers and dealers, the means of substituting the dolls of the appellees for the dolls of the appellant.

The record shows that over a period of years the trade-marks of the appellant had been advertised throughout the United States (Def. Ex. J-1 to J-5) and there can be no doubt about the recognition of these marks in the trade.

Now it is to be noted (Def. Ex. K) that there was an advertisement in the Vallejo News Chronicle on November 21, 1949 on behalf of the appellees in which the terms Story Dolls, Red Riding Hood, Little Bo-Peep and Sugar and Spice were featured. Following the publication of this advertisement, purchases were made at Macy's in San Francisco. See the testimony of Giordano and McIver (Rec. p. 337 to 345) which establishes one instance of confusion and substitution. As will be noted from the sales slip (Def. Ex. L), the clerk at Macy's wrote the trade-marks of the

appellant, Storybook, Little Bo-Peep and Sugar and Spice on the slip. An examination of the sales slip (Def. Ex. M) concerns a similar incident. It is obvious that the use of the same and similar marks for the same line of products, miniature dolls, could only produce confusion in the trade in connection with the selling and buying of the dolls, all this to the detriment of the appellant.

**ACTS OF APPELLEES INDICATE DELIBERATE INTENT
TO COMPETE UNFAIRLY.**

There is not a shred of evidence in the record to establish a common use of any one of the marks under consideration as applied to dolls prior to the adoption and use of these marks by the appellant. The statements of counsel referring to a descriptive use or common use of the marks do not in any sense of the word constitute evidence. Any reference made to fictional characters used for trade purposes (Rec. pp. 273, 274) is plainly immaterial in this proceeding, since obviously of recent origin and subject to question.

With regard to the established business of the appellant, see Rec. p. 304:

“Q. Beginning with the small production which you say you began with back in 1937, what can you say as to the growth of your company and the expansion of its production?”

A. Well, from 1937 to the present day we have made about ten million dolls.

Q. And that sale has been continuous over the period from 1937 to the present time?

A. Yes, sir, it has.

Q. Over what territory do you sell those dolls?

A. Well, practically all over the world and all the United States and Canada, England, South Africa, the Philippines, Occupied Japan."

There is no evidence in this record showing any unquestioned adverse use of the trade-marks of the appellant here under consideration prior to the establishment of the business of the appellant and the success of that business in a particular field. The trial Court erred in failing to conclude from the evidence presented that the trade-marks of the appellant were well known and well recognized in the trade over a period of years before the appellees entered the field and copied the most popular marks of the appellant.

As late as 1948, and with obvious intent, the appellees placed on the market a group of dolls without identification, purporting to depict certain fictional characters. See Rec. p. 228:

"Q. The 'Who Am I Series' was first introduced in 1948, was it not?

A. Yes.

Q. And can you state positively that it was not Mr. Patterson's suggestion that you add the 'Who Am I Series'?

A. No, I won't be pinned down like that.

Q. You couldn't say that he didn't make the suggestion?

A. No, I won't say that he didn't; I won't say that he did—he did or he didn't.

Q. Mr. Patterson was representing you as a sales representative at the time you first put the 'Who Am I Series' out, was he not?

A. Yes."

The inference is strong from the record that the sale of dolls without names was a test, and the excuse given for the use of the series of marks is flimsy in view of the circumstances of the case. See Rec. p. 239:

"Q. Were you aware that the characters which you depicted by those dolls or intended to depict by them had been made the subject of trade-mark registrations of the Nancy Ann organization?

A. Yes.

Q. You were aware of that. Was that one of the reasons that you avoided applying the name to the box or to the doll?

A. No. If I wanted to put the name on, I would have done it, just like some of the other doll companies did.

Q. And just as your company ultimately did?

A. They were—as I told you before, Mr. Orr, they were only brought about by the inquiries and the requests of our customers to do so. We finally gave in."

The facts are remarkably clear. Appellant's former employee, Kerr, and former supplier, Hinz, and former salesman, Patterson, put their knowledge and ideas together, and joined forces with the Justers.

The consequence of this association of individuals and ideas was first the marketing of a group of unnamed miniature dolls. The appellant contends that the evidence indicates beyond doubt that this was an experimental gesture to test out whether or not the appellant would complain about the sale of a group of miniature dolls purporting to be representations of fictional characters. Naturally, there was no objection and then the appellees appropriated the well-known and well established trade-marks of the appellant. Speaking candidly, it would be an insult to our intelligence to accept the view that these trade-marks were adopted by the appellees simply as name designations for particular dolls, when it was known to the parties concerned that these particular trade-marks of the appellant enjoyed the most popularity in the trade. The fact that the appellees picked such arbitrary marks as SUGAR AND SPICE and FAIRY-LAND and such an unusual mark as LITTLE MISS DONNETT indicates beyond doubt that the appellees were not concerned merely with the problem of choosing suitable name designations, but that the appellees proceeded without compunction to seek to utilize the valued trade-marks of the appellant, and the trial court was plainly in error in failing to understand that the pattern of unfair competition established by the record in this case is too plain to deny.

**THE TRADE-MARKS OF THE APPELLANT ARE
VALID AND INFRINGED.**

In reply to the arguments made on behalf of the appellees, it is to be noted from the judgment that the trial Court held that the trade-marks "FAIRY-LAND" and "SUGAR AND SPICE" are valid and infringed, but it is something of a paradox that he reached the opposite conclusion with respect to the trade-marks "RED RIDING HOOD", "LITTLE MISS MUFFET", "MISTRESS MARY", "LITTLE MISS DONNETT", "CURLY LOCKS", "GOLDILOCKS", "JUNE GIRL", "STORY-BOOK" and "STORY". As pointed out, the appellees have sought to appropriate the valued trade-marks of the appellant without compunction, and this includes a term as unusual as "LITTLE MISS DONNETT", which is so unfamiliar as to be practically unknown. The use of this trade-mark by the appellees is simply another striking indication of their intent to appropriate the well known trade-marks of the appellant for a wrongful purpose.

The trade-mark "DOLLS WITH A STORY" is plainly and unquestionably an infringement of the trade-marks "STORYBOOK" and "STORY".

The appellees have made extensive use of the trade-mark "JUNE GIRL", which obviously does not describe any particular type of doll. The appellees appropriated the combination "JUNE BRIDE", and it is clear that under the weight of authority the terms should be considered confusingly similar, since

both notations have a similar meaning, regardless of how the dolls might be dressed.

Although the trial Court failed to appreciate its significance, the strongest possible testimony in behalf of the appellant was given by the witness Juster, the manager and secretary-treasurer of the appellee, Dollcraft Company (Rec. pp. 249-251), when he testified definitely that the trade-marks did not serve to identify particular dolls:

“Q. Do you know how the names were made known to the people who ordered the dolls?

A. I go on the assumption that they recognized the name from the way the doll was dressed.

Q. You feel that the appearance of the doll was sufficient to enable the person making the order to identify the doll by its name?

A. Yes.

Q. I will ask you to examine a specimen of doll which was identified in connection with the deposition of Mr. Rowland taken Wednesday, December 14, 1949, and identified therein as Exhibit 6, and ask you if looking at the doll but without examining the label which appears upon its wrist, you can tell me what character that doll represents?

A. I couldn't tell you.

Q. I will direct your attention to a second doll which was identified in connection with Mr. Rowland's deposition on December 14, 1949, as Exhibit 8 for identification, and ask you if you look at that doll without examining the wrist label on the doll, you can tell what character that represents?

A. I can't identify that one either.

Q. I will direct your attention to another doll produced in connection with Mr. Rowland's deposition designated and identified therein as Exhibit 14, and ask you if you can determine from the appearance of that doll what character it represents or depicts?

A. I can't tell you that one either.

Q. I will further direct your attention to a doll produced in connection with Mr. Rowland's deposition and identified therein as Exhibit 4, and ask if you can tell from the appearance of that doll what character it represents?

A. No, I can't tell you that one either.

Q. I direct your attention to another doll produced in connection with Mr. Rowland's deposition and identified therein as Exhibit 4, and ask if you can tell from the appearance of that doll what character it represents?

A. No, I can't tell you that one either.

Q. I direct your attention now to a doll produced in connection with Mr. Rowland's deposition identified therein as Exhibit 12, and I ask you if you can tell from the appearance of that doll what character it represents?

A. I can't tell you that one either.

Q. Directing your attention now to a doll produced in connection with Mr. Rowland's deposition and identified therein as Exhibit 16, I will ask you if you can tell from the appearance of that doll what character it represents?

A. I can't tell you that either.

Q. I will direct your attention to another doll produced in connection with Mr. Rowland's depo-

sition and identified therein as Exhibit 2, and ask you if you can identify what character that doll represents?

A. That one I can recognize. That is possibly 'Red Riding Hood'; I think it is."

The appellees have argued that the trade-marks of the appellant are descriptive in character, and that fictional names of this kind cannot function as trade-marks. It may well be said that as to the questions of validity of trade-marks and infringement, the entire case of the appellees is based on this proposition. The trial Court disregarded the above testimony and erred in the Judgment and Findings by accepting the view expressed by the appellees. It is submitted that the above testimony by Maurice Juster, the doll maker, completely shatters the arguments made by the appellees.

The testimony set forth above relates to dolls sold under the trade-marks "MISTRESS MARY", "CURLY LOCKS", "LITTLE BO-PEEP", "SUGAR AND SPICE", "JUNE GIRL", "GOL-DILOCKS", and "LITTLE MISS DONNETT", and finally, "LITTLE RED RIDING HOOD". The entire case of the appellees is based upon the fact that these marks are not valid, and the trial Court erroneously accepted the idea, because each mark identifies a particular doll, but this is utterly fallacious, as demonstrated by the testimony of Juster. Here we have a person with experience in the business, and not a child or an ordinary purchaser, and

this witness failed completely in an effort to identify the various dolls. Of course, he ventured a guess that the doll with the red cape might be identified by the mark "LITTLE RED RIDING HOOD". It is perfectly clear that the primary signification of these various terms has absolutely nothing whatsoever to do with dolls, since they are only the names of characters in rhymes and verses, and tales for children. It is obvious that any and all of these names could serve as perfectly good trade-marks for all sorts of products. Such trade-marks would be regarded at a glance as being fanciful and non-descriptive if used in connection with clothing or furniture or foods. The testimony of Juster indicates beyond doubt that the particular trade-marks of the appellant are not descriptive of particular dolls.

Much of the confusion in this case has arisen as a result of a loose and erroneous use of the word "descriptive", and the appellees have leaned heavily on testimony of the witness Rowland (pages 21 to 26 of appellee's brief), but a careful analysis of this testimony establishes without question that the witness was not using the word "descriptive" in a trade-mark sense, but was seeking earnestly to explain that the various marks of the appellant were to be considered as designations of particular dolls in the large line of dolls which appellant sold under these marks, but this does not mean that the marks would be descriptive in a trade-mark sense. In other words, the witness was seeking to explain that the various marks

were adopted as apt and appropriate designations for particular dolls. The testimony of the witness Juster establishes clearly that the dolls could not be identified, even by one in the doll business, by any particular descriptive names.

The appellant is not concerned with the right to make and sell dolls in various shapes or sizes, and is not seeking to control in any way the manner of dress, but was the first in the field with a series of distinctive marks for miniature dressed dolls, all of which were registered as technical trade-marks under the statutes of the United States, and the trial Court was in error in holding the marks to be invalid and in ordering the cancellation of the registrations of the appellant. Aside from the fact that these trade-marks were all registered without question as fanciful marks, and aside from the fact that the trial Court declined to give any weight to a presumption of validity, the appellant finds strong support for the contention that these trade-marks are inherently fanciful. Surely the problem in this case is akin to that presented to the United States Supreme Court involving a consideration of the trade-marks "THE AMERICAN GIRL" and "THE AMERICAN LADY" used in connection with shoes.

In *Wolf Bros. & Co. v. Hamilton-Brown Shoe Co.*, 165 Fed. Rep. 413, C.C.A. 363 (C.C.A. 8th Cir.), the Court, speaking through Judge Munger, stated:

"It is plainly obvious, we think, that the words 'THE AMERICAN GIRL' and 'THE AMERI-

CAN LADY' are so similar as to cause confusion."

On appeal, the United States Supreme Court, in *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 60 L. Ed. 629, 36 S. Ct. 269, held that the mark "THE AMERICAN GIRL" is not geographical or descriptive as employed in connection with shoes. The Court pointed out that the term does not signify that the shoes are manufactured in America, or intended to be sold or used in America, and does not indicate the quality or characteristics of the shoes. Furthermore, the Court concluded that the term, in its primary signification, does not indicate shoes at all, but is a fanciful designation. This is true with respect to each and every one of the marks of the appellant, since the terms, in their primary signification do not indicate dolls at all.

In connection with the term "THE AMERICAN GIRL", the Court commented as follows:

"The cases cited to the contrary are distinguishable. In *Delaware & H. Canal Co. v. Clark*, 13 Wall. 311, 324, 20 L. Ed. 581, 583, the word 'LACKAWANNA' was rejected as a trademark for coal because it designated the district in which the coal was produced. In *Columbia Mill Co. v. Alcorn*, 150 U. S. 460, 466, 37 L. Ed. 1144, 1147, 14 Sup. Ct. Rep. 151, it was held that 'COLUMBIA' could not be appropriated for exclusive use as a trademark because it was a geographical name. So, with respect to 'ELGIN' as designating watches (*Elgin Nat. Watch Co. v.*

Illinois Watch Case Co., 179 U. S. 665, 673, 45 L. Ed. 365, 378, 21 Sup. Ct. Rep. 270); 'GENESEE', claimed as a trademark for salt (Genesee Salt Co. v. Burnap, 20 C.C.A. 27, 43 U.S. App. 243, 73 Fed. 818); 'OLD COUNTRY', as a mark for soap (Allen B. Wrisley Co. v. Iowa Soap Co., 59 C.C.A. 54, 122 Fed. 796). If the mark here in controversy were 'AMERICAN SHOES', these cases would be quite in point. (And see Shaver v. Heller & M. Co., 65 L.R.A. 878, 48 C.C.A. 48, 108 Fed. 821, 826). But 'THE AMERICAN GIRL' would be as descriptive of almost any article of manufacture as of shoes; that is to say, not descriptive at all. The phrase is quite analogous to 'AMERICAN EXPRESS', held to be properly the subject of exclusive appropriation as a trademark for sealing wax in Dennison Mfg. Co. v. Thomas Mfg. Co., 94 Fed. 651, 653."

Obviously, it is often difficult to determine when a certain mark is descriptive as applied to particular goods, or is merely suggestive in character, or arbitrary in character, and there is impressive authority for the proposition that a mark may seem to be descriptive in one sense, and yet function as a perfectly good trade-mark. For example, we note that in *Social Register Association v. Howard*, 60 F. 270 (U.S. C.C.N.J., 1894), the Court held that the term "SOCIAL REGISTER" for a particular type of publication constituted a valid trade-mark. Again, in *New York Herald Co. v. Star Co.*, 146 F. 204 (U.S.C.C. N.Y., 1906), the Court held that the name "BUSTER BROWN" should be fully protected as a trade-mark

for a comic section in a newspaper. In *Selchow v. Baker*, 93 N.Y. 53 (Ct. App. N.Y., 1883), it was held that the term "SLICED ANIMALS" as applied to a game consisting of pictures of animals cut into strips, was not a descriptive trade-mark for such goods. Furthermore, in *Ludington Novelty Co. v. Leonard, et al.*, 127 F. 155 (U.S.C.C.A. 2d Cir., 1903), it was held that the word "CARROMS" is a valid trade-mark when used as the name of a game played with disks on a board.

It is fundamental that in a great many instances a single mark may be applied to one particular product and this fact, standing alone, will not affect the validity of a trade-mark. In *W. F. Burns Co. v. Automatic Recording Safe Co.*, 241 F. 472 (U.S.C. C.A. 7th Cir., 1916), it was held that the word "TELLER" is merely suggestive and not descriptive as a trade-mark for portable coin bank safes. In *John Rissman & Son v. Gordon & Ferguson, Inc.*, 78 F.S. 195 (D.C. Minn., 1948), the Court held that the term "WINDBREAKER" is a valid trade-mark for jackets of a particular type. In *Keebler Weyl Baking Co. v. J. S. Ivins' Son, Inc.*, 24 T. M. Rep. 161 (U.S.D.C. Pa., 1934), the Court held that the term "CLUB CRACKERS" is not a descriptive mark for soda crackers. With respect to the names of individuals, fanciful or otherwise, it may be noted that in *Jacob Ruppert v. Knickerbocker Food Specialty Co.*, 295 F. 381 (U.S.D.C.N.Y., 1923), the Court held that the name "KNICKERBOCKER" with the picture

of Father Knickerbocker is subject to exclusive appropriation as a trade-mark for beer, regardless of the common use of these features. In the early case of *Barrows v. Knight*, 6 R.I. 434, Cox. 238 (Sup. Ct. R.I., 1860), the Court held that the name "ROGER WILLIAMS", although having a well-known historical significance, should be considered as a fanciful trade-mark for cotton cloth, and protected accordingly.

**DISTRICT COURT ERRED IN CONSIDERING STORYBOOK AND
STORY AS GENERIC NAMES FOR DOLLS.**

It is clear from the record that the trade-mark "STORYBOOK" is of particular importance to the appellant because this trade-mark is used extensively for the full line of products. This trade-mark does not in any way describe dolls. If the term "STORYBOOK" is descriptive of anything at all, it would be descriptive of books. The term is clearly fanciful when used in connection with dolls and this is equally true with respect to "STORY". The trial Court failed to understand (Finding of Fact 18) that these terms do not identify or refer solely to books for children or little girls, for according to the dictionary a story is simply a connected narration and therefore the term "STORYBOOK" and the word "STORY" have a broad meaning and no connection whatsoever with dolls. The important point in this proceeding is that "STORYBOOK" and "STORY" are valid trade-marks for dolls.

The appellant believes that the statement of the Supreme Court in *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, supra, regarding the expression "AMERICAN GIRL" for shoes may well be considered controlling, and the Court reasoned as follows:

"Indeed, it does not, in its primary signification, indicate shoes at all. It is a fanciful designation, arbitrarily selected by complainant's predecessors to designate shoes of their manufacture. We are convinced that it was subject to appropriation for that purpose, and it abundantly appears to have been appropriated and used by complainant and those under whom it claims."

Reference is made in the brief of the appellees to the decisions in *Jell-Well Dessert Co. v. Jell-X-Cell Co., Inc.*, 22 Fed. (2d) 522, 9 C.C.A., in which "JELL-WELL" was held to be descriptive for a gelatin dessert, to *Standard Paint Company v. Trinidad Asphalt Manufacturing Company*, 31 S. Ct. 456, 220 U.S. 446, in which "RUBEROID" was held to be descriptive for roofing paper, and to *National Nu Grape Co. v. Guest*, 164 Fed. (2d) 874, in which "NuGRAPE" was held to be descriptive for a grape drink, and also to *Wilhartz v. Turco Products, Inc.*, 164 Fed. (2d) 731, in which "AUTO SHAMPOO" was held to be descriptive for an auto wash. It is submitted that our present case is clearly distinguishable from these decisions. It is obvious that "RUBEROID" and "AUTO SHAMPOO" are merely the names of the products and nothing more. It is plain also that "JELL-WELL" and "NuGRAPE" are or-

dinary descriptive terms for the particular products mentioned. Reference is made also in the brief of the appellees to *Van Camp Sea Food Co. v. Cohn-Hopkins et al.*, 56 F. (2d) 797, and *Van Camp Sea Food Co., Inc. v. Westgate Sea Products Co.*, 28 F. (2d) 957, involving the mark "CHICKEN OF THE SEA" for tunafish. It is clear that the word "Chicken" was regarded as the equivalent of "tender fish", and that "of the sea" was regarded as a term descriptive of any fish, hence the term "CHICKEN OF THE SEA" was deemed to be simply the equivalent of "Tender Fish of the Sea". However, the trade-marks of the appellant are in an entirely different category, because the primary meaning of these terms has nothing whatever to do with dolls. All of the trade-marks under consideration relate to terms associated with fiction and legend. Actually, these marks should be regarded as highly fanciful when used in a commercial sense in connection with manufactured products.

SECONDARY MEANING.

Although the appellant believes that the trade-marks under consideration are fanciful and have identified the products of the appellants for many years, some thought has been given to the matter of secondary meaning. Reference is made in the brief of the appellees to *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 59 S. Ct. 109, 113, in which it was held that "SHREDDED WHEAT" is primarily the

name of a product, and to *Skinner Mfg. Co. v. Kellogg Sales Co.*, 143 Fed. (2d) 895, in which it was held that "RAISIN-BRAN" is descriptive of a raisin bran breakfast food. Here again the present case is distinguishable, since "SHREDDED WHEAT" and "RAISIN-BRAN" are simply the names of the products.

Reference is made also to *Durable Toy & Novelty Corporation v. J. Chein & Co., Inc., et al.*, 133 F. (2d) 853, 855, in which it was held that "UNCLE SAM" and the figure of Uncle Sam could not be appropriated. It is an obvious fact, and was recognized by the Court, that "UNCLE SAM" means the same thing as "United States", and is, to all intents and purposes, a national insignia, which should not be appropriated exclusively by one person. It is plain enough that "UNCLE TOM" and the representation of the fictional character would be a perfectly good trade-mark for toy banks or any other products.

The record in this case shows a large volume of business and extensive use of the trade-marks by the appellant to the extent of some ten million dollars (Rec. pp. 304, 317, 318) and there is no evidence of any unquestioned adverse use of the marks by others in connection with miniature dolls. Naturally, secondary meaning may be inferred from the facts. The Court is well aware that numerous witnesses could be brought into Court to testify that a trade-mark has acquired a secondary meaning, and that a like number of witnesses could be brought into Court to deny that

a mark had acquired a secondary meaning. It follows, therefore, that when a series of trade-marks have been used exclusively and extensively over a period of years in connection with particular products, it would be entirely reasonable to accept the view that these marks had acquired a secondary meaning in the trade.

In discussing the subject of secondary meaning, it has been said that this is a new meaning attaching to the word or words, which has been created by trade-mark use, and this new meaning does not belong to the public, but to the party responsible for its creation. The basis for relief is found in the injury to the good-will of the party by the loss of those customers who, seeing the word or words on the goods of another, buy such goods instead of the goods of the party who established the new or secondary meaning. The important question to consider is what purchasers understand by the use of the word or words. In the leading case of *Barton v. Rex-Oil Co.*, 2 F. (2d) 402, 404 (C.C.A. 3, 1924), 40 A.L.R. 424 (Wooley, J.), 29 F. (2d) 474 (C.C.A. 3, 1928), the Court concluded that the mark "DYANSHINE" had acquired a secondary meaning for the purpose in connection with which it was used, but it was recognized that there should be a free, normal and ordinary use of the words "Dye and Shine" for descriptive purposes, but not in a trade-mark sense. If such word or words, when used as a trade-mark, indicate the origin of the goods, the owner should be protected,

regardless of whether or not the public may properly use the words in their primary narrative descriptive meaning in properly describing particular products.

The question of determining whether or not the trade-mark has acquired a secondary meaning is oftentimes a difficult one to answer. In this connection it is deemed helpful to consider the remarks of *Nims* in his treatise on *Unfair Competition and Trade-Marks* (Vol. 1, page 166, 4th Ed.), wherein he writes as follows:

“The terms ‘descriptive’ and ‘generic’ have been used interchangeably with reference to trade marks. They are distinguishable. A generic name gives information as to the nature or class of article. A descriptive word supplies the characteristics of the article, its color, order, dimensions, functions, possibly its ingredients. Judge Lindley, in the Seventh Circuit Court of Appeals, said that descriptive words are ‘included within the broader category of generic terms’, and then held that the term ‘Hot Patches’ as used on vulcanizing units and apparatus for repairing rubber parts had acquired a secondary meaning. (*Speaker v. Shaler*, 87 F. (2d) 985, 987 (CCA 7, 1937), 33 PQ 310.)

An example of a generic name which was held to have a secondary meaning but which the court referred to as a descriptive word is ‘Nervine’, meaning a nerve tonic or remedy for disorders of the nerves, manufactured by Richmond Remedies Company. (*Richmond Remedies Co. v. Dr. Miles Medical Co.*, 16 F. (2d) 598, 603 (CCA 8, 1926).) An example of a descriptive word on the

other hand, is 'Dumore' used for a washing machine. This also was protected as a trade name having a secondary meaning. (*Wisconsin Electric Co. v. Dumore Co.*, 35 F. (2d) 555, 557 (CCA 6, 1929), 3 PQ 232.)

This distinction between generic and descriptive words may be of some significance in determining the nature of the remedy which may be granted when a generic or descriptive word having a secondary meaning is infringed. It does not affect the general rule. The question is not the nature of a word in the public domain, but whether when it is used on goods of a particular kind the word is recognized as indicating the source of such goods. In holding that Coca-Cola is entitled to protection as a trade-mark, Justice Holmes said: 'Whatever may have been its original significance, the mark for years has acquired a secondary significance and has indicated that plaintiff's product alone.' (*Coca-Cola Co. v. Koke Co.*, 254 US 143, 145 (1920), 65 L. Ed. 189, 41 SC 113.)"

In this case the record establishes convincingly that the trade-marks of the appellant identify in the trade the miniature dolls manufactured and sold by the appellant.

CONCLUSION.

It is respectfully submitted that the appellees have competed unfairly with the appellant, that the trade-marks of the appellant are valid, that the registra-

tions are valid and subsisting, and that these registered trade-marks have been infringed by appellees. It is respectfully urged that the judgment of the District Court should be reversed, except with respect to "FAIRYLAND" and "SUGAR AND SPICE", with an award of costs to the appellant.

Dated, San Francisco, California,
February 27, 1952.

Respectfully submitted,
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